

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:

DZS INC.

DEBTOR

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CASE NO.: 25-40712

Chapter 7 (Jointly Administered)

REPORT OF SALE

The duly appointed Chapter 7 Trustee, Michelle H. Chow, files this REPORT OF SALE as follows:

1. The Trustee sold substantially all the assets of the business as outlined in the Motion to Sell and Order Granting Sale motion.
2. Trustee and her professionals: General Counsel, Special Counsel, Consultant; along with assistance of Buyer's Counsel, secured and other creditors and parties to the case, negotiated the business interests and assets extensively.
3. The Trustee filed a Motion for an Order Approving Sale of Certain Property of the Estate Free and Clear of all Liens, Claims and Encumbrances and Assumption and Assignment of Executory Contracts and Leases on April 4, 2025 docket #26. The Order Granting Trustee's Motion was entered on April 28, 2025 docket #112.
4. The business assets are complex and extensive. The Trustee believes the highest and best value would be realized by a sale of substantially all assets, which is expected to clear secured and anticipated administrative costs.
5. Per the Order approving the Sale, the purchaser was Zhone Technologies. Inc. The gross sales price was \$18,000,000.00. The buyer also paid \$400.00 for the equity of selected subsidiary interests. In addition, the buyer is paying cure amounts estimated at \$13 million dollars to various contract counterparties of

assumed contracts. The estate received escrow funds on April 3-4, 2025 and the sale proceeds on May 1-2, 2025.

6. The Motion to Approve Sale and Settlement was properly noticed, and a Court hearing held on April 28, 2025.
7. Funds have been received and the sale completed.

WHEREFORE, PREMISES CONSIDERED Trustee requests that the Court accept this Report of Sale.

Signed on May 5, 2025.

/s/ Michelle H. Chow
Michelle H. Chow, Trustee
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Addison, TX 75001
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing instrument was served on parties through the Court's electronic notification system as permitted by Appendix 5005 III E. to the Local Rules of the U.S. Bankruptcy Court for the Eastern District of Texas.

/s/ Michelle H. Chow
Michelle H. Chow, Trustee